



## Rule Up For Discussion

Proposed Amendment to

**WAC 230-30-033**

Event pull-tab series - Definitions - Restrictions.

### ITEM 16 (a) on the November 19, 2004, Commission Meeting Agenda. Statutory Authority 9.46.070

#### Who proposed the rule change?

Ronnie Strong, on behalf of the Charitable Nonprofit Voice.

#### Why is this rule change needed?

At the September meeting, the Commission filed a Petition for Rule Change submitted by Ronnie Strong with the anticipation of a staff recommendation memo at the next meeting.

This rule sets operating requirements for event pull-tab series. These games are only offered by charitable or nonprofit organizations and are operated in conjunction with bingo games. Mr. Strong is requesting that the name "Event Pull-Tab Series" be changed to "Event Bingo Ticket" in order to reduce their taxes on gambling activities.

The state legislature sets taxing limits for local jurisdictions and established different levels for pull-tabs (10% of net receipts) and bingo (5% of net receipts). The federal government sets Internal Revenue Service (IRS) taxes. The appropriate venue for requesting a change in tax levels, are the taxing authorities. If the petitioner believes the IRS or local taxing authorities should lower tax rates or exempt games played during bingo sessions, staff recommends the petitioner contact the taxing authorities directly, rather than requesting the Commission make significant changes to its rules. The changes could result in confusion as to which regulatory rules apply (bingo or pull-tab rules), potentially decrease regulatory oversight, and may not achieve the outcome sought by the petitioner.

Staff does not support the petition and recommends that it be denied. Please see staff recommendation memo for details.

#### Attached:

Staff Recommendation Memo dated October 19, 2004

Petition for Rule Change

WAC 230-30-033

Letter to Mr. Strong notifying him of the November 19, 2004 Commission meeting.

#### Statements against the proposed rule change.

None at this time.

#### Which licensees will be directly impacted?

Bingo operators offering event pull-tabs series.

#### What are the potential impacts to the agency?

Minimal.

#### Staff recommendation.

Deny the petition.